Hecla
MINING COMPANY

January 7, 2009

Sent via email

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for November 2008 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Mr. Johnson:

Per paragraph 64 of the Order, enclosed is a copy of the November 2008 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4112 or e-mail at pglader@hecla-mining.com.

Sincerely,

Paul L. Glader
Manager Environmental Services

Encl

Cc: HMC Legal Dept (w/o attachments)
John Jacus, Esq. (DG&S)

6500 Mineral Drive • Suite 200 • Coeur d'Alene, Idaho 83815-9408 • 208/769-4100 • FAX 208/769-4107 • www.hecla-mining.com

Hecla
MINING COMPANY

January 7, 2009

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Paiute Indian Tribe
6060 West 3650 North
Ivins, Utah 84738

John Krause
Bureau of Indian Affairs
400 North 5th Street, Floor 12
Phoenix, AZ 85004

Kelly Youngbear
BIA Southern Paiute Agency
P.O. Box 720
St. George, UT 84771

RE: Progress report for November 2008 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Chairman Rogers, Mr. Krause and Ms. Youngbear:

Per paragraph 64 of the Order, enclosed is a copy of the November 2008 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4112 or e-mail at pglader@hecla-mining.com.

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Cc: HMC Legal Dept. (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)

Hecla
MINING COMPANY

January 6, 2009

MEMORANDUM TO: Apex File

COPIES TO: distribution

FROM: Paul Glader

SUBJECT: **Progress Report No. 55 for period ending November 30, 2008; Pond 2 Final Closure - Apex Site, Washington County, Utah**

Summary

The monthly visual inspection, per the long term monitoring plan, was conducted on November 29. No unusual conditions were noted. Monuments were surveyed.

Geotechnical Monitoring

Based on data collected through July 2008:
1 – Settlement rates of most monuments have decreased to zero
2 – Settlement of the reclaimed impoundment top surface has stabilized with only two monuments decreasing minimally over the first six months of 2008.

The October 2008 survey data analysis is being completed – no settlement changes have been noted.

Work Planned for Next Period

Visual inspection of site

Settlement monument survey – quarterly basis

Cost and Schedule

Committed costs in November 2008 were $522. Total project to date committed is approximately $1,289,000.

Supplemental Attachments

November 2008 site inspection report

November 2008 cost report

November 11, 2008 Surface Monument Survey Data Review – Monster Engineering Inc.

Annual Site Inspection Summary Sheet - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 1 of 4 - Summary

Date: 11-29-08

Inspector: Travis

Cover System Component	Potential Problem		Allowable Limits	Limits Potentially Exceeded
Site Perimeter	Erosion or Fencing Issues		NA	NA
Cover System (outslopes, top, rock)	Subsidence		**Minor**: ponding < 1" some gullying / erosion	Yes X * No ___
			Significant: see Table 2	Yes ___ * No X
	Embankment Slope Stability		excessive movement or surface cracks > than 1"	Yes ___ * No X
	Gullying	on top	depth > 1"	Yes ___ * No X
		at embankment crest or on outslope	depth > 2"	Yes ___ * No X
		w/in normal flow channel in diversion channel	no gullying allowed	Yes ___ * No X
		w/in diversions at toe of impoundment outslope	no gullying allowed	Yes ___ * No X
		in diversion channel at any other location	NA	NA
	Erosion Protection Stability		rock subsiding or missing	Yes * No X
	Seepage		no colored seepage allowed (red, blue, yellow w/ crystallization)	Yes * No X
Runoff Control System	Diversion Channel		rock in place, channel not moving, fence stable	Yes X * No
	Diversion Swales		rock in place, no silting in or head cutting	Yes X * No
	Excessive silt build up at fence lines in diversion channel		allowed if not effecting cover system	Yes X * No ___

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 2 of 4 - Site Perimeter

Inspection Date: 11-29-04

Inspector: Trevman

Visible Outlying Areas

Observed Condition: No New problems

Observed Damage: None

May require repair: Yes __* No X

Property Boundary Fence and Gate (walk fence line)

Observed Condition: Fences and Signs are fine

Observed Damage: None

Potential Corrective Actions: None

May require repair: Yes __* No X

All Upgradient Areas (areas that drain onto property)

Observed Condition: Things have not changed. Were had a dry Fall

Observed Damage: None

May require repair: Yes __* No X

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 3 of 4 - Impoundment

Inspection Date: _____

Inspector: _____

Outslopes

Observed Performance:	Rock Cover Subsidence:	Yes __ No Y	May require repair: Yes __ * No Y
	Excessive Slope Movement (failure):	Yes __ No Y	May require repair: Yes __ * No Y
	Gully Development:	Yes __ No Y	May require repair: Yes __ * No Y
	Observable Leachate (colored):	Yes __ No Y	May require repair: Yes __ * No Y
	Excessive Siltation (at slope toe):	Yes __ No Y	May require repair: Yes __ * No Y

Observed Damage: None

Potential Corrective Actions: None

Top (top surface soils)

Observed Performance:	Cracking (>1" width):	Yes __ No Y	May require repair: Yes __ * No Y
	Settlement / Evidence of Ponding:	Yes __ No Y	May require repair: Yes __ * No Y
	Erosion / Gullying:	Yes __ No Y	May require repair: Yes __ * No Y

Observed Damage: None

Potential Corrective Actions: None

Erosion Protection Layer (rock)

Observed Performance:	Rock Staying in Place:	Yes Y No __	May require repair: Yes __ * No Y
	Rock Subsiding:	Yes __ No Y	May require repair: Yes __ * No Y
	Missing Rock:	Yes __ No Y	May require repair: Yes __ * No Y

Observed Damage: None

Potential Corrective Actions: None

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 4 of 4 - Diversion Channel and Swales

Date: 11-29-04
Inspector: [illegible]

Diversion Channel

Observed Performance:	Erosion Protection in place:	Yes Y No ___	May require repair: Yes ___* No Y
	Normal Flow Channel in place:	Yes Y No ___	May require repair: Yes ___* No Y
	Encroaching on Site Fencing:	Yes ___ No Y	May require repair: Yes ___* No Y

Observed Damage: None

Potential Corrective Actions: None

Diversion Swales

Observed Performance:	Erosion Protection in place:	Yes Y No ___	May require repair: Yes ___* No Y
	Flow Channel Silting In:	Yes ___ No Y	May require repair: Yes ___* No Y
	Head Cutting:	Yes ___ No Y	May require repair: Yes ___* No Y

Observed Damage: None

Potential Corrective Actions: None

* Mark all areas of concern or requiring repairs on attached site map.

Activity	2004 Budget	Revised Budget May 2004	Committed Cost this Period	Cumulative Committed Cost To Date 11-30-08	Forecasted Cost To Complete	Forecasted Final Cost	Remarks on Forecast to Complete
Phases I through III *(Completed February 2006)*							
Phase I - Drain Excess Liquid From Tailings	189,200	72,700		67,928	0	67,928	
Phases II, IIA + IIB - Evaporate Excess Liquid	6,000	8,000		242,882	0	242,882	
Phase III - Regrading & Final Cover System	337,000	342,050		504,742	0	504,742	
Field Indirect Costs	164,500	213,568		378,517	0	378,517	Includes Jan + Feb 2006 long term monitoring costs
Hecla Costs	18,700	18,700	0	33,324	0	33,324	
Subtotal Phases I through III	**715,400**	**655,018**	**0**	**1,227,393**	**0**	**1,227,393**	
Long Term Monitoring *(through FY 2010)*							
Site Inspections			182	6,371	884	7,255	
Settlement Monitoring			0	6,750	3,675	10,425	
Consultant Support:							
Annual Geotechnical Engineer Inspections				2,495	18,100	20,595	Includes settlement monitoring data analysis
Vegetation Monitoring			0	0	20,000	20,000	Allowance for surveys in FY 2008 - 2010
Site Conditions Review - MEI			340	6,814	2,987	9,801	
Site Conditions Review - SVL Analytical			0	2,079		2,079	
Erosion Repair Review - MEI				2,927	573	3,500	
Revegetation Review - Bamberg					3,500	3,500	
Maintenance:							
Erosion Repair Allowance				21,941	7,500	29,441	Erosion repair conducted April 2008
Revegetation Allowance				9,912	10,000	19,912	Revegetation conducted April 2008
Hecla Project Management Costs:							
Labor			0	2,266	7,909	10,175	
Travel expenses			0	0	1,312	1,312	
Subtotal Long Term Monitoring	**0**	**0**	**522**	**61,555**	**76,440**	**137,995**	
Total Pond 2 Final Closure	**715,400**	**655,018**	**522**	**1,288,948**	**76,440**	**1,365,388**	

Poor Quality Source Document

The following document images have been scanned from the best available source copy.

To view the actual hard copy, contact the Region VIII Records Center at (303) 312-6473.

MONSTER ENGINEERING INC
ENGINEERING DESIGN MANAGEMENT
3031 banner spring ranch road
laporte, colorado 80535
(970) 221.7777
fax (970) 224.0161
email monstr@peakpeak.com

P Glader
11/12/08

MEMORANDUM

TO: Paul Glader (Hecla Mining Company)
FROM: Doug Gibbs (Monster Engineering Inc.)
DATE: 11/4/08
SUBJECT: **Surface Monument Survey Data Review – Apex Site**

Surface monument surveying has been conducted quarterly at the Apex Site by Alpha Engineering since January of 2006. Based on data collected through July 2008:

1) Settlement rates of most monuments have decreased to near zero.
2) Settlement of the reclaimed impoundment top surface has stabilized with only two monuments decreasing minimally over the first six months of 2008.

All data shown in the following table and graphs has been corrected based on maintaining a zero elevation change at Monument #10 (at the gate). This monument (#10) is the baseline from which all other monuments are surveyed, is located outside of the impoundment, and should show no movement between monitoring periods. Total and 2008 survey monument elevation changes since installation are shown in the following table.

Monument	Total Elevation Change Jan 1, 2006 to July 8, 2008		Elevation Change - 2008 Dec. 13, 2007 to July 8, 2008	
	(feet)	(inches)	(feet)	(inches)
1	-0.11	-1.3	0.00	0.0
2	-0.09	-1.1	0.00	0.0
3	-0.20	-2.4	-0.02	-0.2
4	-0.04	-0.5	0.00	0.0
5	-0.05	-0.6	0.00	0.0
6	-0.03	-0.4	0.00	0.0
7	-0.27	-3.2	0.00	0.0
8	-0.15	-1.8	-0.01	-0.1
9	-0.09	-1.1	0.00	0.0
10 (baseline @ gate)	NA	NA	NA	NA
11 / Main (impoundment center)	-0.05	-0.6	0.00	0.0
Average	**-0.11**	**-1.3**	**-0.00**	**-0.0**

NA – baseline monument - data corrected to show no movement

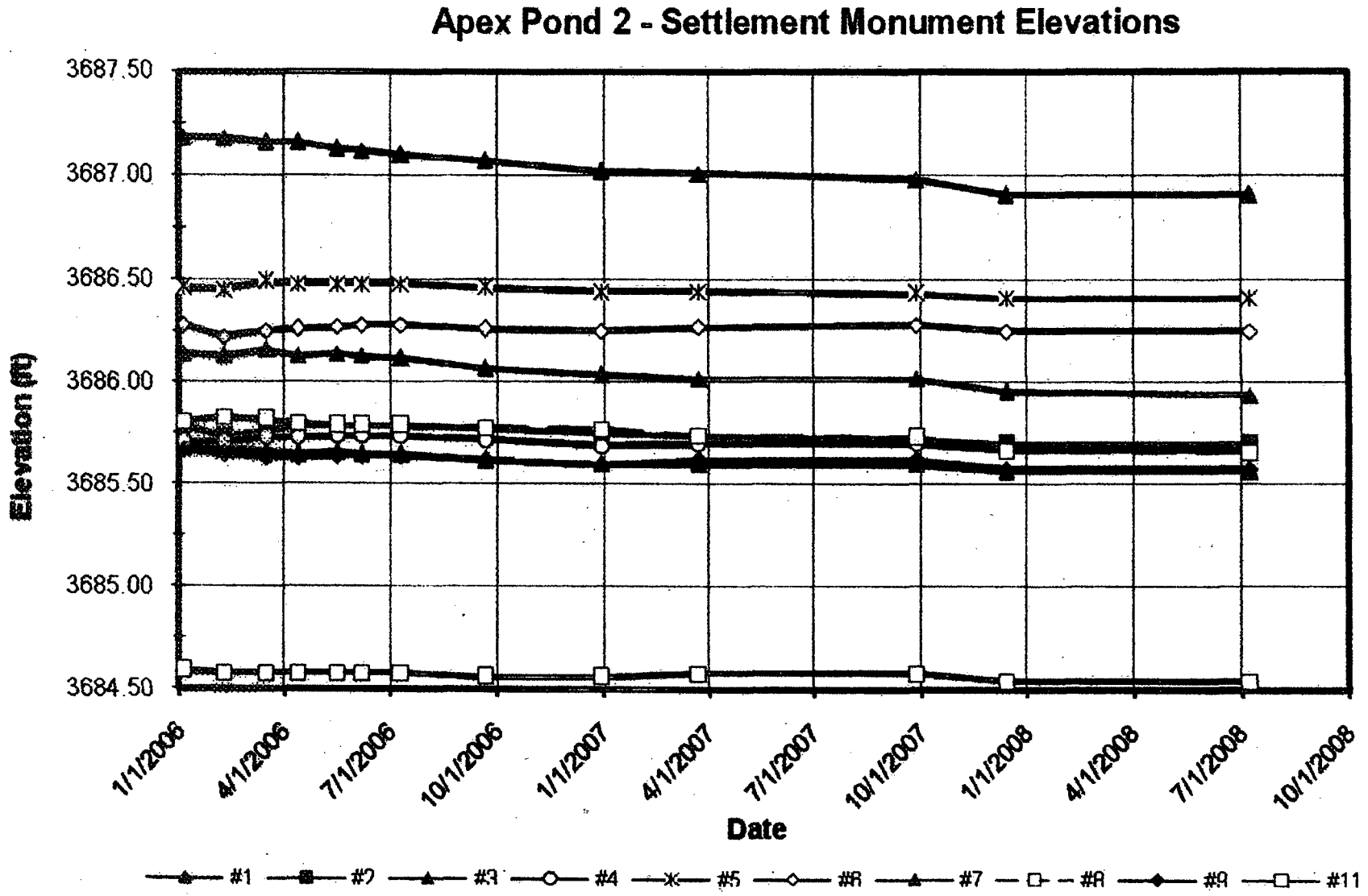
Most apparent monument movement from period to period can be attributed to surveying accuracy limitations as the data shows individual monuments both increasing and decreasing in elevation. However, when data for all monuments is "corrected" by keeping the baseline monument's (#10) elevation change to zero, then a general trend of decreasing elevations becomes apparent.

In summary the data shows that roughly the northern half of the impoundment has settled between 0.05 and 0.27 feet. The southern half of the impoundment has remained very consistent with very little to no settlement (0.0 to 0.05 feet). The largest measured settlement is, as expected, near the center of the impoundment (monitor #7) at -0.27 feet. Slightly greater settlement in and nearer the center of the impoundment is to be expected as significant quantities of fill were placed in this area during construction. Additionally, greater settlement should be expected on the northern half of the impoundment based on the locations and methods utilized to place the original cover materials (prior to final reclamation activities). According to Chris Gypton and Alan Wilson, cover materials were initially placed in the southwest corner and generally moved across the impoundment towards the northeast corner. This created a mud wave of unconsolidated waste which moved towards this corner, and eventually a thicker deposit of unconsolidated waste materials.

There continues to be no concerns to date with settlement. There are no low spots and no signs of ponding rain water. As expected with long-term consolidation, the data shows that settlement rates are slightly decreasing over time. Consolidation of waste materials and final reclamation cover materials appears to be very minimal and decreasing. Additionally, it is highly unlikely that any liquids are leaving the impoundment.

All elevation data provided by Alpha Engineering is presented graphically on the following pages. The first graph shows all monuments (except monitor #10 the baseline point) on a scale that allows all data to be compared. The next five graphs have expanded "Y" axes scales in order to more clearly show elevation changes, and for ease of comparison between graphs. A monument location map (provided by Alpha Engineering) is attached on the last page of this document. Included on this map are contours showing approximate total settlement of the top surface since installation of the monuments.

Based on data collected to date, MEI recommends that Hecla continue with their current plan and collect elevation data semi-annually. Please contace me if you have any questions concerning this review.


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3687.50
3687.00
3686.50
3686.00
3685.50
3685.00
3684.50
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
10/1/2007
1/1/2008
4/1/2008
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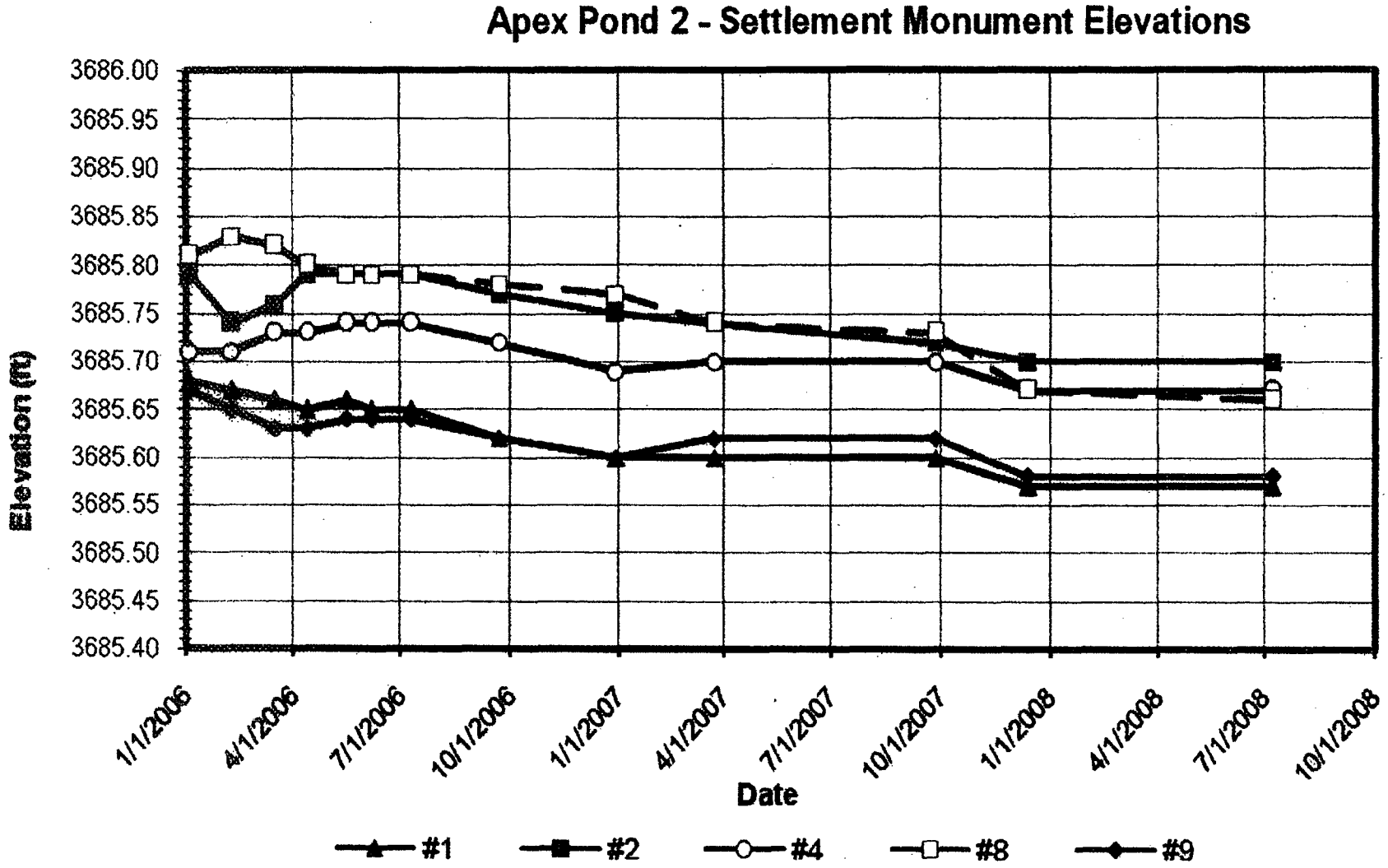
#4
#5
#6
#7
#8
#9
#11


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3686.00
3685.95
3685.90
3685.85
3685.80
3685.75
3685.70
3685.65
3685.60
3685.55
3685.50
3685.45
3685.40
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
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10/1/2008
Date
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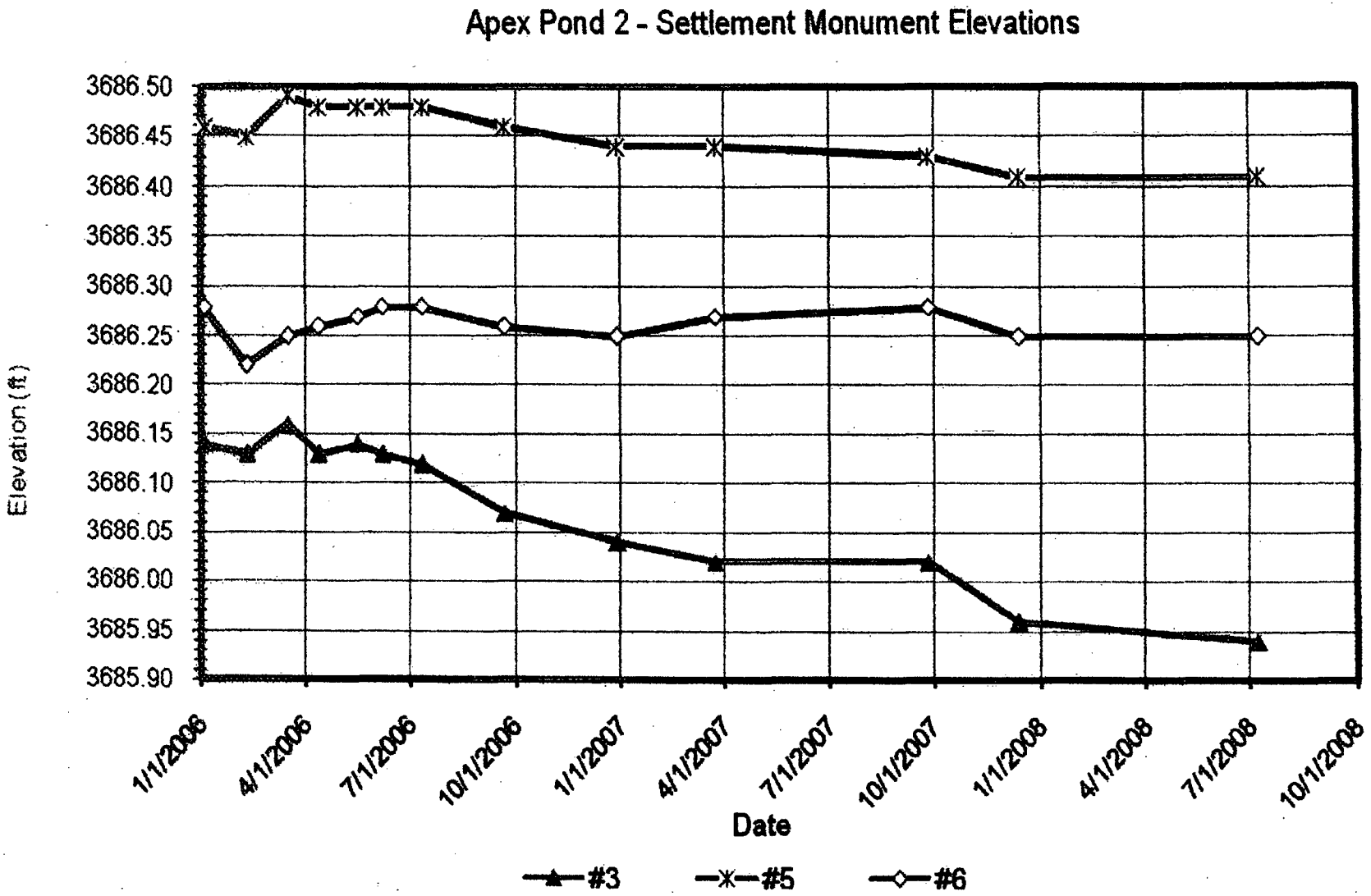
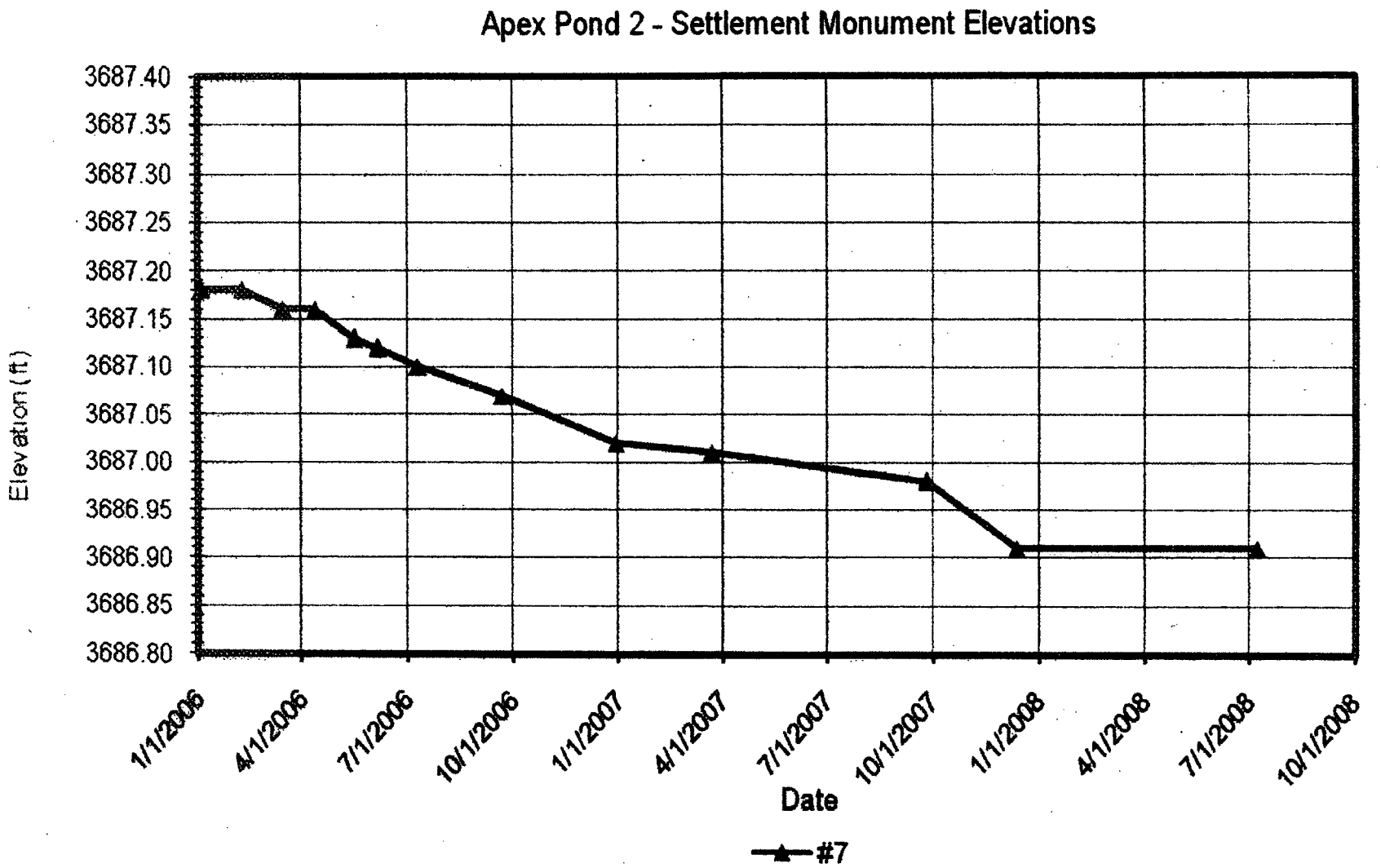
#2
#4
#8
#9


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3686.50
3686.45
3686.40
3686.35
3686.30
3686.25
3686.20
3686.15
3686.10
3686.05
3686.00
3685.95
3685.90
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
10/1/2007
1/1/2008
4/1/2008
7/1/2008
10/1/2008
Date
#3
#5
#6


Apex Pond 2 - Settlement Monument Elevations
3687.40
3687.35
3687.30
3687.25
3687.20
3687.15
3687.10
3687.05
3687.00
3686.95
3686.90
3686.85
3686.80
Elevation (ft)
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
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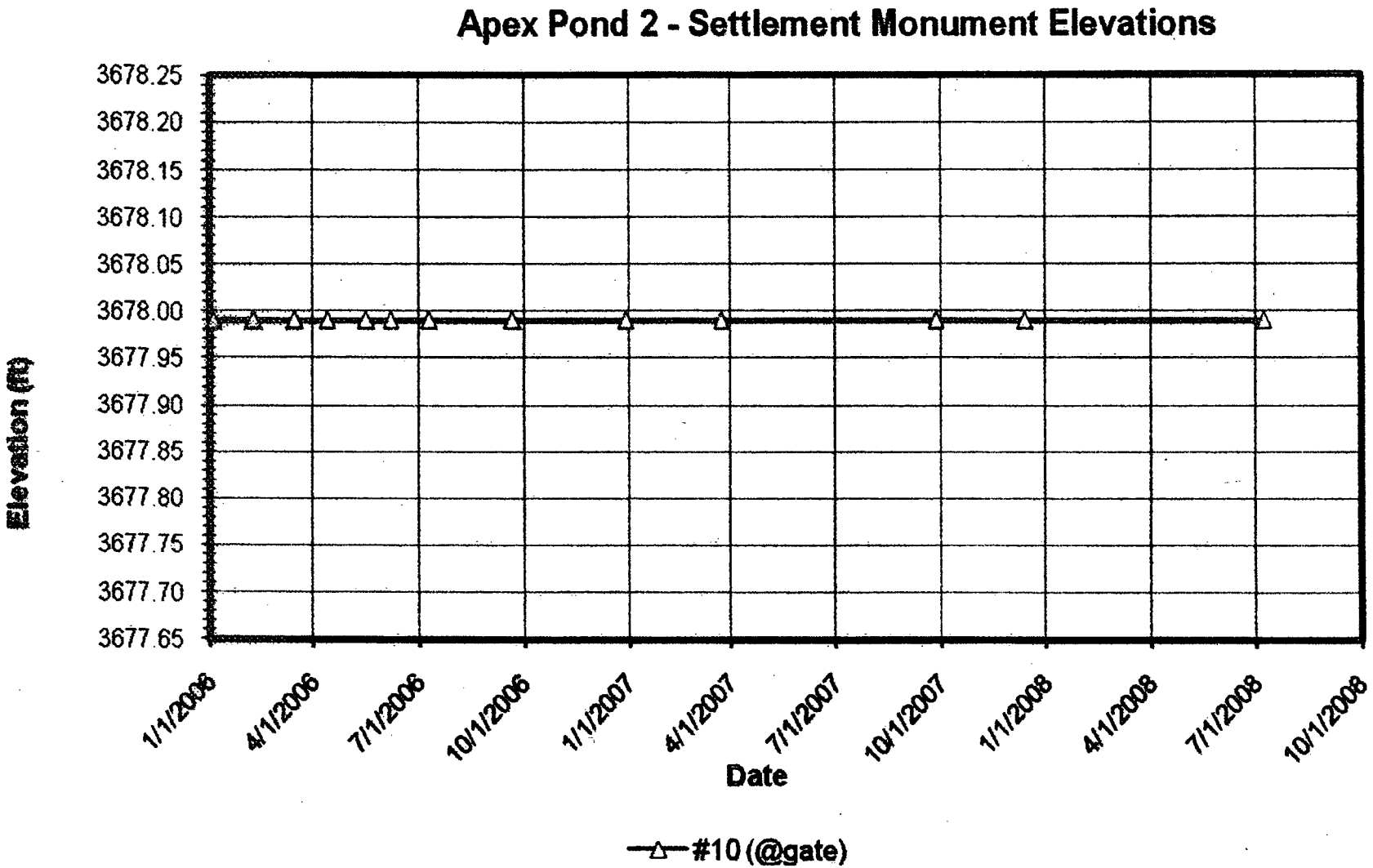
4/1/2008
7/1/2008
10/1/2008
Date
#7


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3678.25
3678.20
3678.15
3678.10
3678.05
3678.00
3677.95
3677.90
3677.85
3677.80
3677.75
3677.70
3677.65
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
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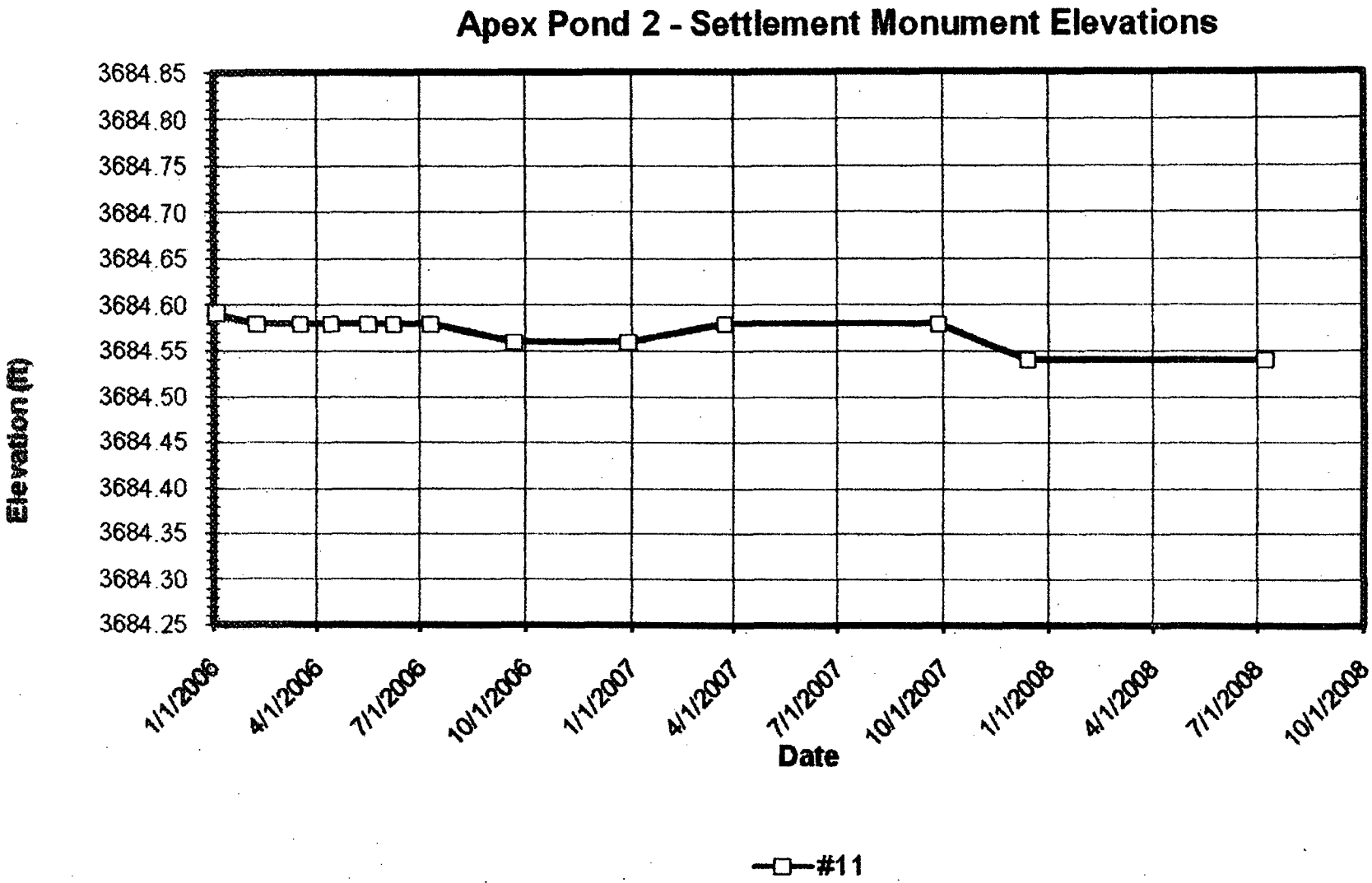
4/1/2008
7/1/2008
10/1/2008
Date
#10 (@gate)


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3684.85
3684.80
3684.75
3684.70
3684.65
3684.60
3684.55
3684.50
3684.45
3684.40
3684.35
3684.30
3684.25
1/1/2006
4/1/2006
7/1/2006
10/1/2006
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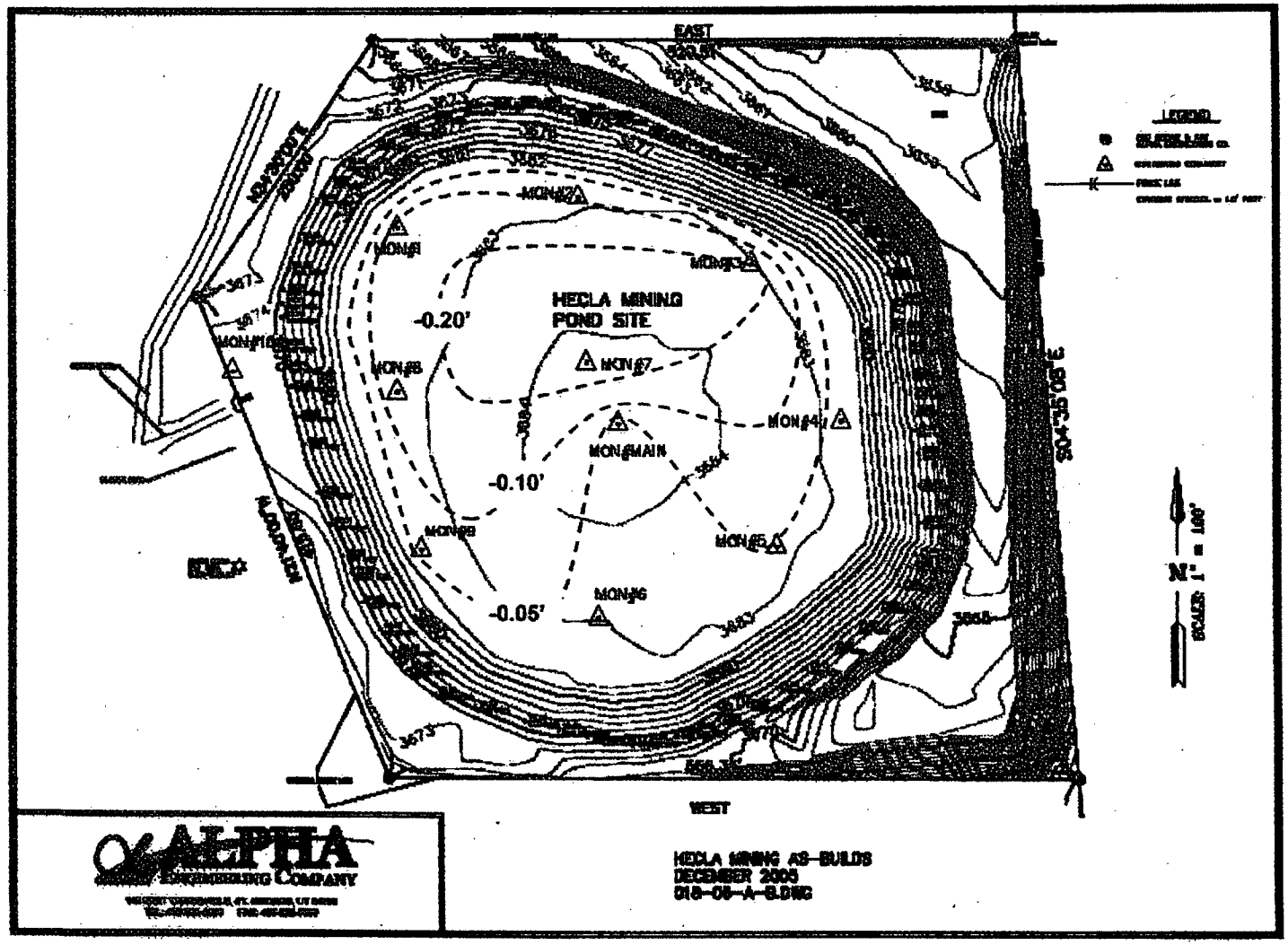
EAST
WEST
HECLA MINING
POND SITE
-0.20'
-0.10'
-0.05'
MON#1
MON#2
MON#3
MON#4
MON#5
MON#6
MON#7
MON#8
MON#MAIN
LEGEND
ALPHA
ENGINEERING COMPANY
HECLA MINING AS-BUILDS
DECEMBER 2005
018-05-A-S.DWG

Fw: Apex - Monthly for Nov

Ericr Johnson to: Amy Swanson 01/08/2009 01:07 PM

The reports keep coming...

---- Forwarded by Ericr Johnson/R8/USEPA/US on 01/08/2009 01:06 PM ----

Paul Glader <pglader@hecla-mining.com >

01/07/2009 10:55 AM

To Ericr Johnson/R8/USEPA/US@EPA

cc

Subject Apex - Monthly for Nov

Apex Pond 2 - progress rpt complete, november 2008.pdf

Fw: Apex - December report
Ericr Johnson to: Amy Swanson 01/26/2009 01:31 PM

----- Forwarded by Ericr Johnson/R8/USEPA/US on 01/26/2009 01:30 PM -----

Paul Glader <pglader@hecla-mining.com >

01/23/2009 03:48 PM

To Ericr Johnson/R8/USEPA/US@EPA
cc
Subject Apex - December report

Apex Pond 2 - progress rpt complete, december 2008.pdf

Hecla
MINING COMPANY

January 7, 2009

Sent via email

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for November 2008 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

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Paul L. Glader
Manager Environmental Services

Encl

Cc: HMC Legal Dept (w/o attachments)
John Jacus, Esq. (DG&S)

Hecla
MINING COMPANY

January 7, 2009

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Paiute Indian Tribe
6060 West 3650 North
Ivins, Utah 84738

John Krause
Bureau of Indian Affairs
400 North 5th Street, Floor 12
Phoenix, AZ 85004

Kelly Youngbear
BIA Southern Paiute Agency
P.O. Box 720
St. George, UT 84771

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Sincerely,

Paul L. Glader
Manager Environmental Services

Encl

Cc: HMC Legal Dept. (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)

Hecla
MINING COMPANY

January 6, 2009

MEMORANDUM TO: Apex File

COPIES TO: distribution

FROM: Paul Glader

SUBJECT: **Progress Report No. 55 for period ending November 30, 2008; Pond 2 Final Closure - Apex Site, Washington County, Utah**

Summary

The monthly visual inspection, per the long term monitoring plan, was conducted on November 29. No unusual conditions were noted. Monuments were surveyed.

Geotechnical Monitoring

Based on data collected through July 2008:
1 – Settlement rates of most monuments have decreased to zero
2 – Settlement of the reclaimed impoundment top surface has stabilized with only two monuments decreasing minimally over the first six months of 2008.

The October 2008 survey data analysis is being completed – no settlement changes have been noted.

Work Planned for Next Period

Visual inspection of site

Settlement monument survey – quarterly basis

Cost and Schedule

Committed costs in November 2008 were $522. Total project to date committed is approximately $1,289,000.

Supplemental Attachments

November 2008 site inspection report

November 2008 cost report

November 11, 2008 Surface Monument Survey Data Review – Monster Engineering Inc.

Annual Site Inspection Summary Sheet - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 1 of 4 - Summary

Date: 11-29-08

Inspector: Travis

Cover System Component	Potential Problem		Allowable Limits	Limits Potentially Exceeded
Site Perimeter	Erosion or Fencing Issues		NA	NA
Cover System (outslopes, top, rock)	Subsidence		**Minor**: ponding < 1" some gullying / erosion	Yes X * No
			Significant: see Table 2	Yes * No X
	Embankment Slope Stability		excessive movement or surface cracks > than 1"	Yes * No X
	Gullying	on top	depth > 1"	Yes * No X
		at embankment crest or on outslope	depth > 2"	Yes * No X
		w/in normal flow channel in diversion channel	no gullying allowed	Yes * No X
		w/in diversions at toe of impoundment outslope	no gullying allowed	Yes * No X
		in diversion channel at any other location	NA	NA
	Erosion Protection Stability		rock subsiding or missing	Yes * No X
	Seepage		no colored seepage allowed (red, blue, yellow w/ crystallization)	Yes * No X
Runoff Control System	Diversion Channel		rock in place, channel not moving, fence stable	Yes X * No
	Diversion Swales		rock in place, no silting in or head cutting	Yes X * No
	Excessive silt build up at fence lines in diversion channel		allowed if not effecting cover system	Yes X * No

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 2 of 4 - Site Perimeter

Inspection Date:	11-29-04
Inspector:	[illegible]
Visible Outlying Areas	
Observed Condition:	No New problems
Observed Damage:	None
	May require repair: Yes __ * No X
Property Boundary Fence and Gate (walk fence line)	
Observed Condition:	Fences and Signs are fine
Observed Damage:	None
Potential Corrective Actions:	None
	May require repair: Yes __ * No X
All Upgradient Areas (areas that drain onto property)	
Observed Condition:	Things have not changed. Weeds had a dry frost
Observed Damage:	None
	May require repair: Yes __ * No X

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 3 of 4 - Impoundment

Inspection Date: _____

Inspector: _____

Outslopes

Observed Performance:	Rock Cover Subsidence:	Yes __ No N	May require repair: Yes __ * No N
	Excessive Slope Movement (failure):	Yes __ No N	May require repair: Yes __ * No N
	Gully Development:	Yes __ No N	May require repair: Yes __ * No N
	Observable Leachate (colored):	Yes __ No N	May require repair: Yes __ * No N
	Excessive Siltation (at slope toe):	Yes __ No N	May require repair: Yes __ * No N

Observed Damage: None

Potential Corrective Actions: None

Top (top surface soils)

Observed Performance:	Cracking (>1" width):	Yes __ No N	May require repair: Yes __ * No N
	Settlement / Evidence of Ponding:	Yes __ No N	May require repair: Yes __ * No N
	Erosion / Gullying:	Yes __ No N	May require repair: Yes __ * No N

Observed Damage: None

Potential Corrective Actions: None

Erosion Protection Layer (rock)

Observed Performance:	Rock Staying in Place:	Yes Y No __	May require repair: Yes __ * No N
	Rock Subsiding:	Yes __ No N	May require repair: Yes __ * No N
	Missing Rock:	Yes __ No N	May require repair: Yes __ * No N

Observed Damage: None

Potential Corrective Actions: None

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 4 of 4 - Diversion Channel and Swales

Date: 11-29-05
Inspector: [illegible]

Diversion Channel

Observed Performance:	Erosion Protection in place:	Yes X No ___	May require repair: Yes ___* No X
	Normal Flow Channel in place:	Yes X No ___	May require repair: Yes ___* No X
	Encroaching on Site Fencing:	Yes ___ No X	May require repair: Yes ___* No X

Observed Damage: None

Potential Corrective Actions: None

Diversion Swales

Observed Performance:	Erosion Protection in place:	Yes X No ___	May require repair: Yes ___* No X
	Flow Channel Silting In:	Yes ___ No X	May require repair: Yes ___* No X
	Head Cutting:	Yes ___ No X	May require repair: Yes ___* No X

Observed Damage: None

Potential Corrective Actions: None

* Mark all areas of concern or requiring repairs on attached site map.

Activity	2004 Budget	Revised Budget May 2004	Committed Cost this Period	Cumulative Committed Cost To Date 11-30-08	Forecasted Cost To Complete	Forecasted Final Cost	Remarks on Forecast to Complete
Phases I through III *(Completed February 2006)*							
Phase I - Drain Excess Liquid From Tailings	189,200	72,700		67,928	0	67,928	
Phases II, IIA + IIB - Evaporate Excess Liquid	6,000	8,000		242,882	0	242,882	
Phase III - Regrading & Final Cover System	337,000	342,050		504,742	0	504,742	
Field Indirect Costs	164,500	213,568		378,517	0	378,517	Includes Jan + Feb 2006 long term monitoring costs
Hecla Costs	18,700	18,700	0	33,324	0	33,324	
Subtotal Phases I through III	**715,400**	**655,018**	**0**	**1,227,393**	**0**	**1,227,393**	
Long Term Monitoring *(through FY 2010)*							
Site Inspections			182	6,371	884	7,255	
Settlement Monitoring			0	6,750	3,675	10,425	
Consultant Support:							
Annual Geotechnical Engineer Inspections				2,495	18,100	20,595	Includes settlement monitoring data analysis
Vegetation Monitoring			0	0	20,000	20,000	Allowance for surveys in FY 2008 - 2010
Site Conditions Review - MEI			340	6,814	2,987	9,801	
Site Conditions Review - SVL Analytical			0	2,079		2,079	
Erosion Repair Review - MEI				2,927	573	3,500	
Revegetation Review - Bamberg					3,500	3,500	
Maintenance:							
Erosion Repair Allowance				21,941	7,500	29,441	Erosion repair conducted April 2008
Revegetation Allowance				9,912	10,000	19,912	Revegetation conducted April 2008
Hecla Project Management Costs:							
Labor			0	2,266	7,909	10,175	
Travel expenses			0	0	1,312	1,312	
Subtotal Long Term Monitoring	**0**	**0**	**522**	**61,555**	**76,440**	**137,995**	
Total Pond 2 Final Closure	**715,400**	**655,018**	**522**	**1,288,948**	**76,440**	**1,365,388**	

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ENGINEERING DESIGN MANAGEMENT
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P Glader 11/12/08

MEMORANDUM

TO: Paul Glader (Hecla Mining Company)
FROM: Doug Gibbs (Monster Engineering Inc.)
DATE: 11/4/08
SUBJECT: **Surface Monument Survey Data Review – Apex Site**

Surface monument surveying has been conducted quarterly at the Apex Site by Alpha Engineering since January of 2006. Based on data collected through July 2008:

1) Settlement rates of most monuments have decreased to near zero.
2) Settlement of the reclaimed impoundment top surface has stabilized with only two monuments decreasing minimally over the first six months of 2008.

All data shown in the following table and graphs has been corrected based on maintaining a zero elevation change at Monument #10 (at the gate). This monument (#10) is the baseline from which all other monuments are surveyed, is located outside of the impoundment, and should show no movement between monitoring periods. Total and 2008 survey monument elevation changes since installation are shown in the following table.

Monument	Total Elevation Change (since 2006 to July 4, 2008)		Elevation Change - 2008 (Dec. 31, 2007 to July 4, 2008)	
	(feet)	(inches)	(feet)	(inches)
1	-0.11	-1.3	0.00	0.0
2	-0.09	-1.1	0.00	0.0
3	-0.20	-2.4	-0.02	-0.2
4	-0.04	-0.5	0.00	0.0
5	-0.05	-0.6	0.00	0.0
6	-0.03	-0.4	0.00	0.0
7	-0.27	-3.2	0.00	0.0
8	-0.15	-1.8	-0.01	-0.1
9	-0.09	-1.1	0.00	0.0
10 (baseline @ gate)	NA	NA	NA	NA
11 / Main (impoundment center)	-0.05	-0.6	0.00	0.0
Average	**-0.11**	**-1.3**	**-0.00**	**-0.0**

NA – baseline monument - data corrected to show no movement

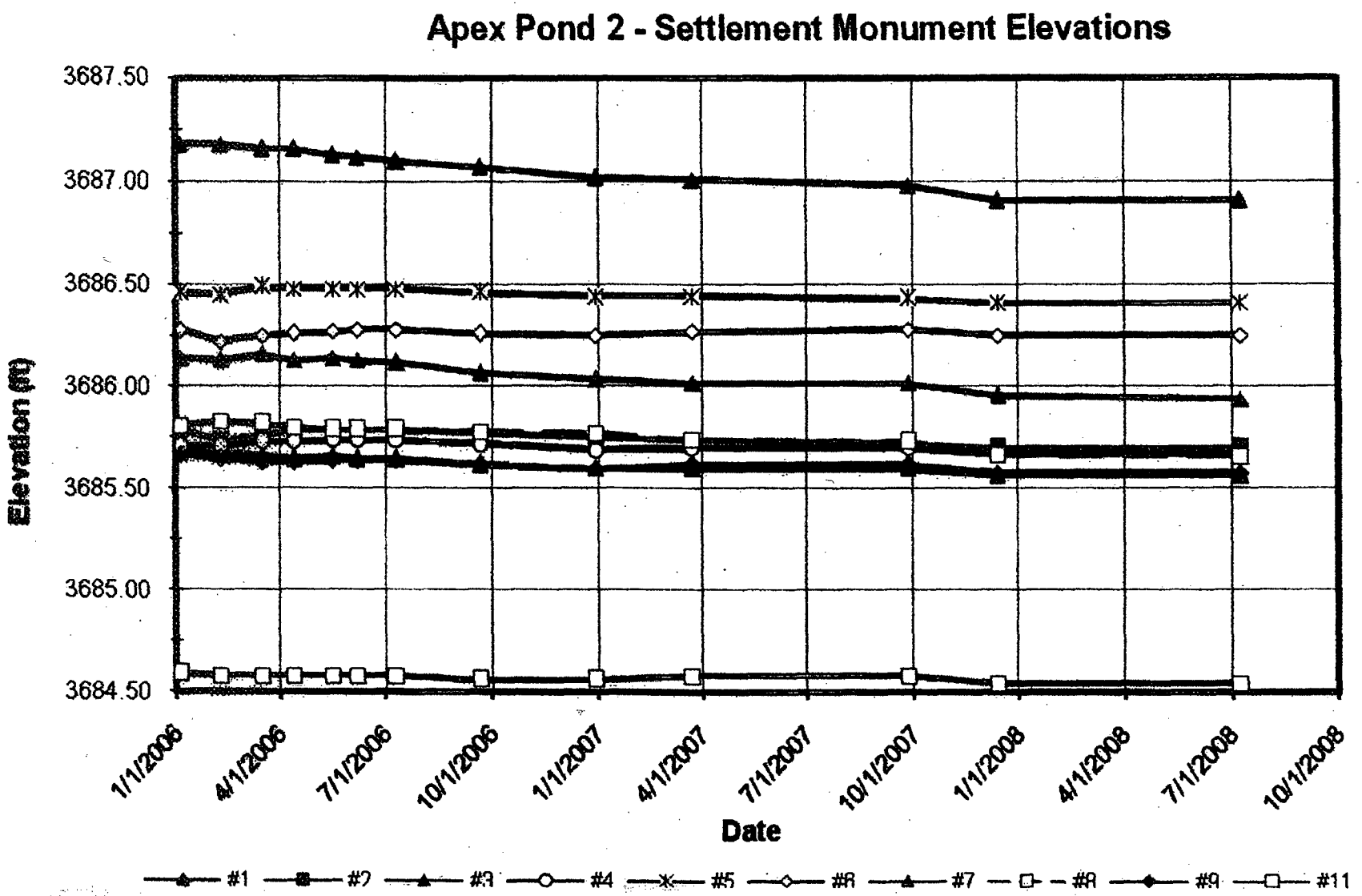
Most apparent monument movement from period to period can be attributed to surveying accuracy limitations as the data shows individual monuments both increasing and decreasing in elevation. However, when data for all monuments is "corrected" by keeping the baseline monument's (#10) elevation change to zero, then a general trend of decreasing elevations becomes apparent.

In summary the data shows that roughly the northern half of the impoundment has settled between 0.05 and 0.27 feet. The southern half of the impoundment has remained very consistent with very little to no settlement (0.0 to 0.05 feet). The largest measured settlement is, as expected, near the center of the impoundment (monitor #7) at -0.27 feet. Slightly greater settlement in and nearer the center of the impoundment is to be expected as significant quantities of fill were placed in this area during construction. Additionally, greater settlement should be expected on the northern half of the impoundment based on the locations and methods utilized to place the original cover materials (prior to final reclamation activities). According to Chris Gypton and Alan Wilson, cover materials were initially placed in the southwest corner and generally moved across the impoundment towards the northeast corner. This created a mud wave of unconsolidated waste which moved towards this corner, and eventually a thicker deposit of unconsolidated waste materials.

There continues to be no concerns to date with settlement. There are no low spots and no signs of ponding rain water. As expected with long-term consolidation, the data shows that settlement rates are slightly decreasing over time. Consolidation of waste materials and final reclamation cover materials appears to be very minimal and decreasing. Additionally, it is highly unlikely that any liquids are leaving the impoundment.

All elevation data provided by Alpha Engineering is presented graphically on the following pages. The first graph shows all monuments (except monitor #10 the baseline point) on a scale that allows all data to be compared. The next five graphs have expanded "Y" axes scales in order to more clearly show elevation changes, and for ease of comparison between graphs. A monument location map (provided by Alpha Engineering) is attached on the last page of this document. Included on this map are contours showing approximate total settlement of the top surface since installation of the monuments.

Based on data collected to date, MEI recommends that Hecla continue with their current plan and collect elevation data semi-annually. Please contace me if you have any questions concerning this review.


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3687.50
3687.00
3686.50
3686.00
3685.50
3685.00
3684.50
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
10/1/2007
1/1/2008
4/1/2008
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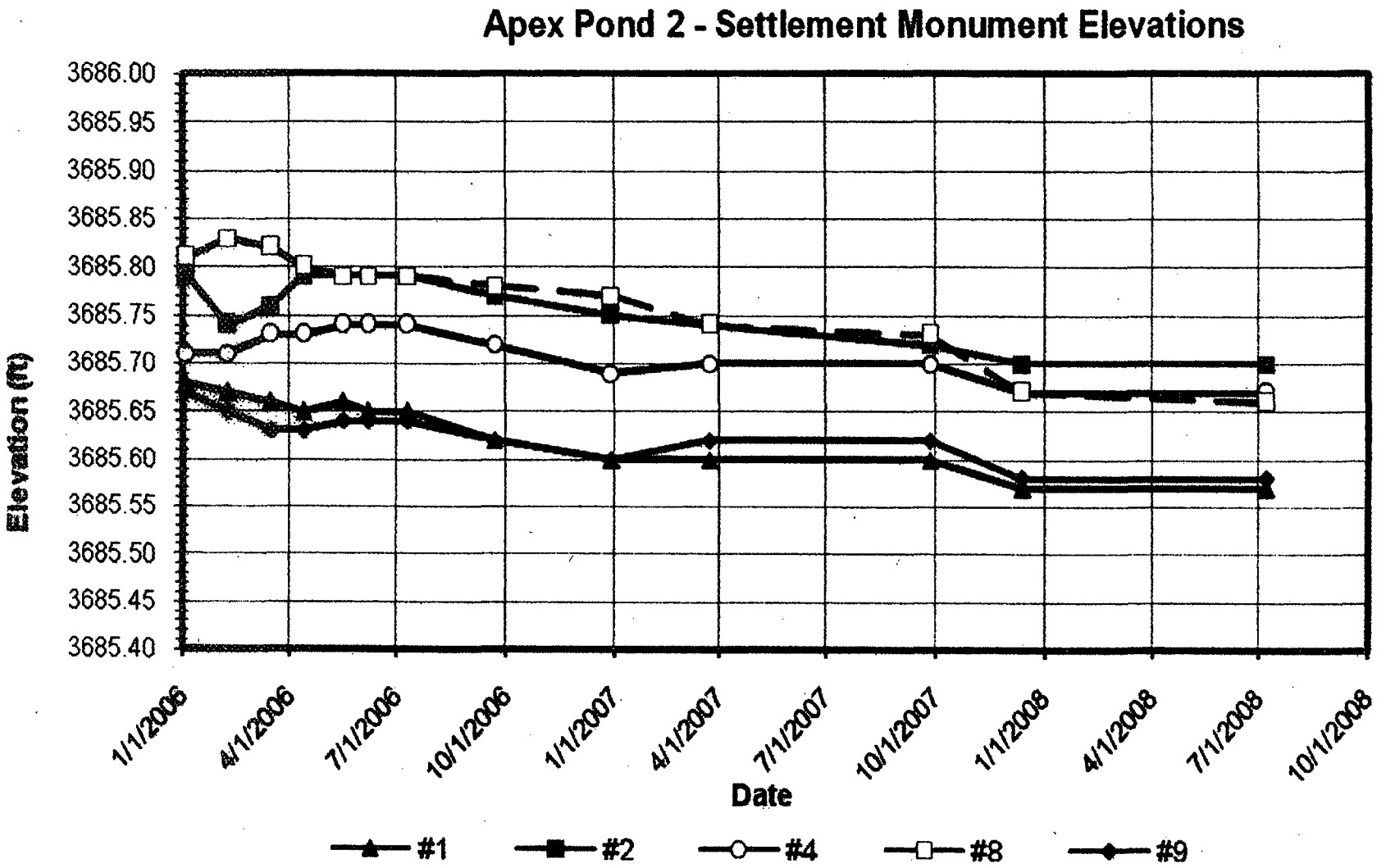
Date
#1
#2
#3
#4
#5
#6
#7
#8
#9
#11


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3686.00
3685.95
3685.90
3685.85
3685.80
3685.75
3685.70
3685.65
3685.60
3685.55
3685.50
3685.45
3685.40
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
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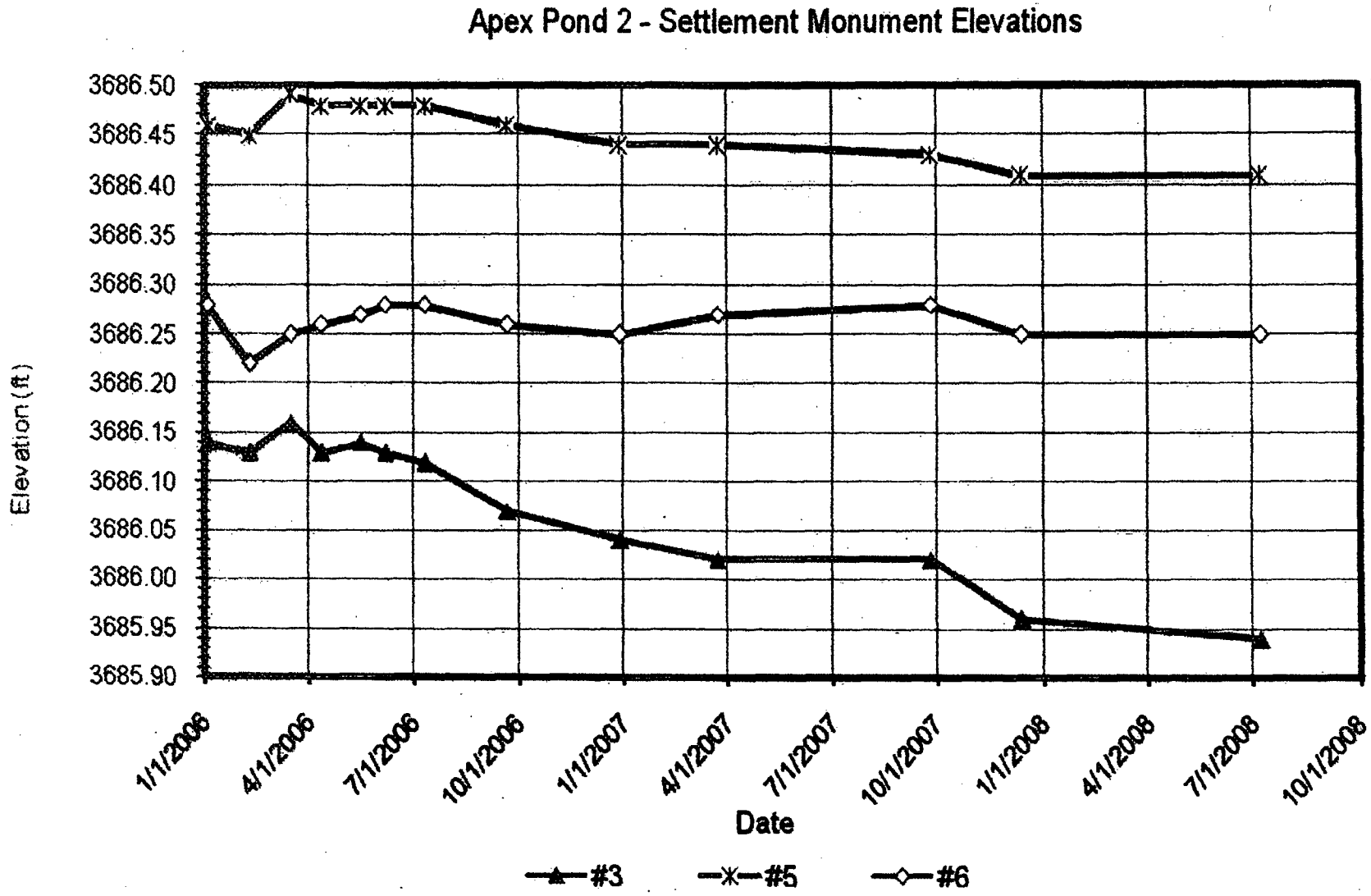
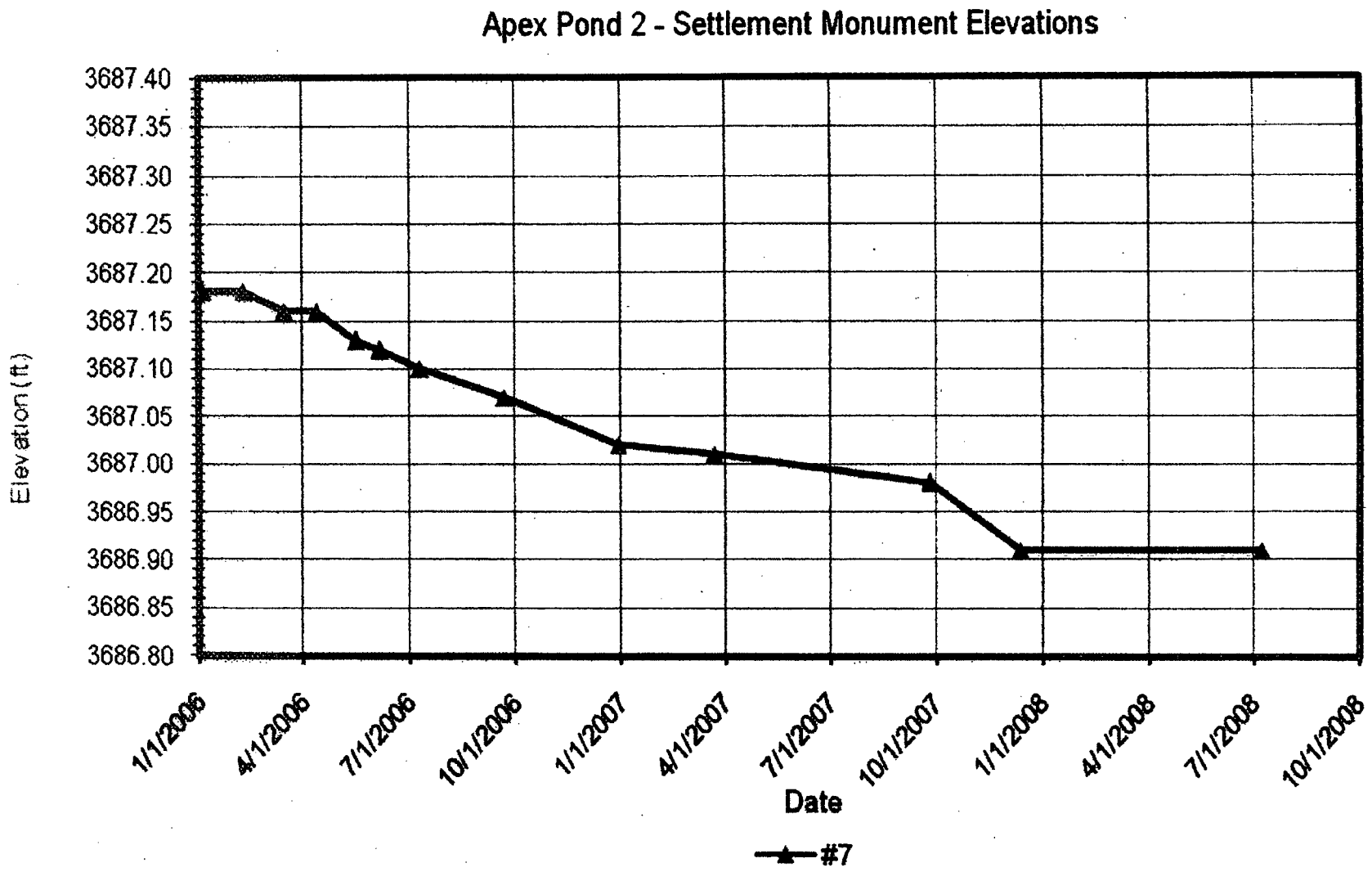
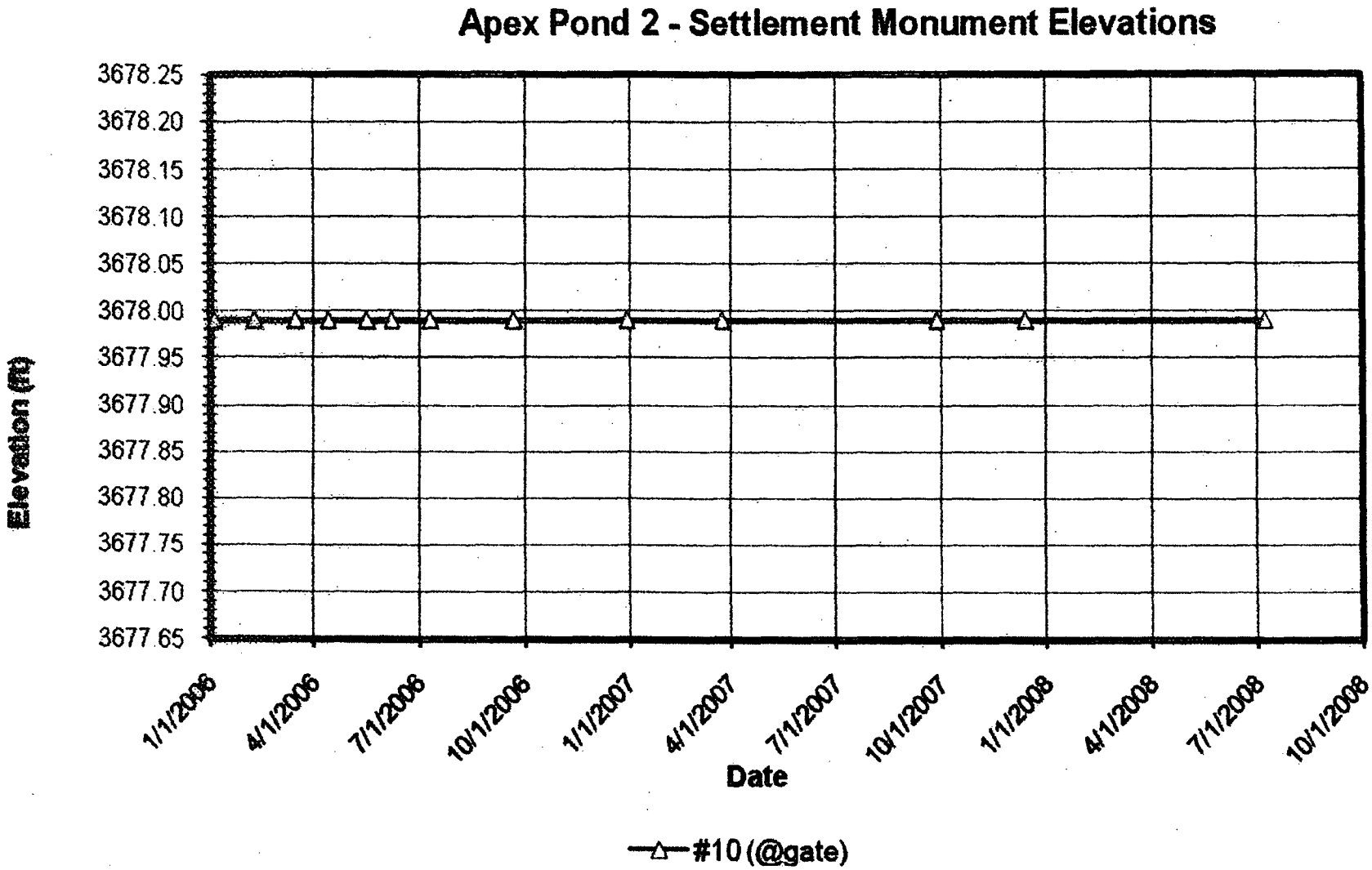
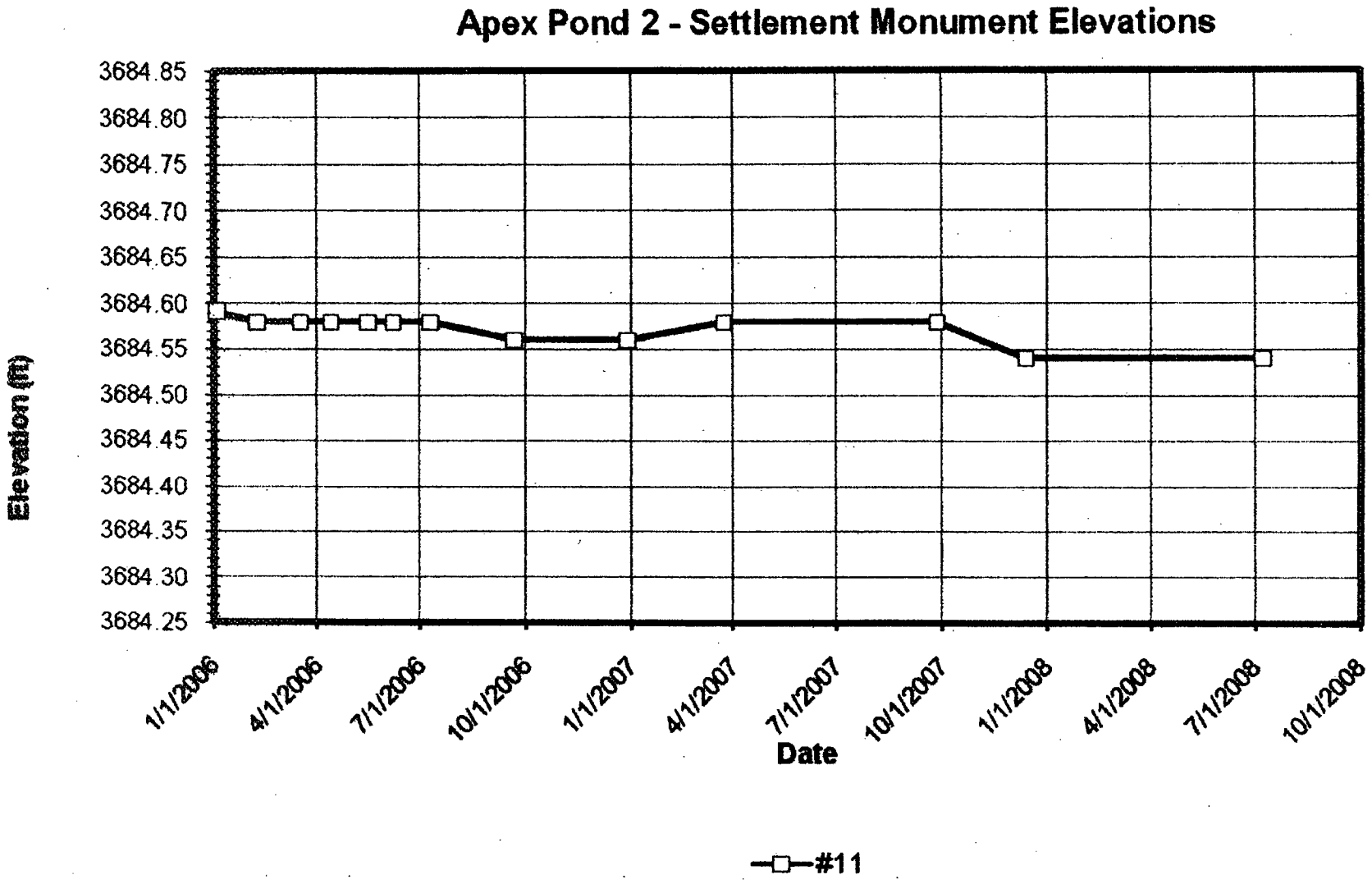
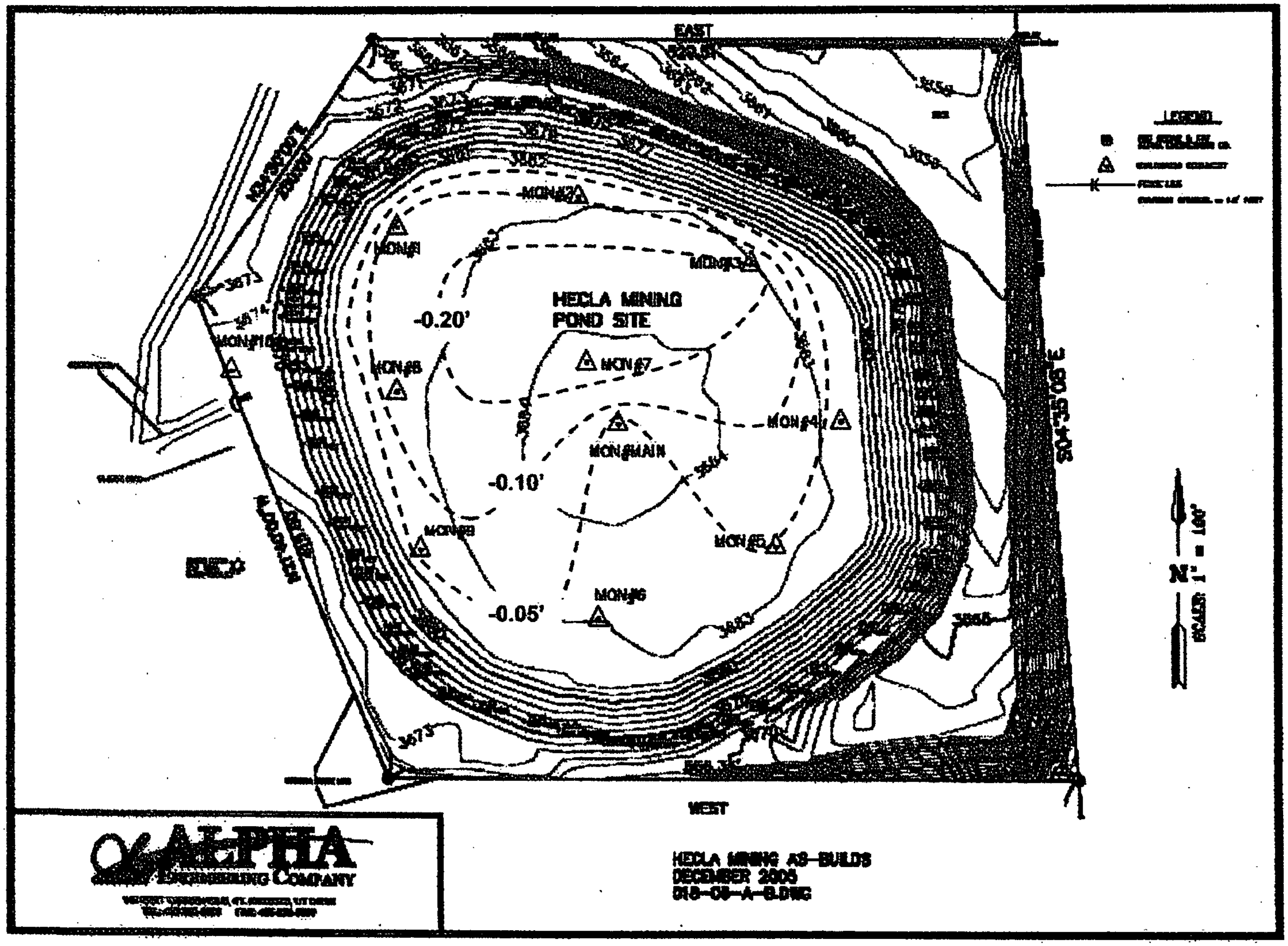
4/1/2008
7/1/2008
10/1/2008
Date
#1
#2
#4
#8
#9


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3686.50
3686.45
3686.40
3686.35
3686.30
3686.25
3686.20
3686.15
3686.10
3686.05
3686.00
3685.95
3685.90
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
10/1/2007
1/1/2008
4/1/2008
7/1/2008
10/1/2008
Date
#3
#5
#6


Apex Pond 2 - Settlement Monument Elevations
3687.40
3687.35
3687.30
3687.25
3687.20
3687.15
3687.10
3687.05
3687.00
3686.95
3686.90
3686.85
3686.80
Elevation (ft.)
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
10/1/2007
1/1/2008
4/1/2008
7/1/2008
10/1/2008
Date
#7


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3678.25
3678.20
3678.15
3678.10
3678.05
3678.00
3677.95
3677.90
3677.85
3677.80
3677.75
3677.70
3677.65
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
10/1/2007
1/1/2008
4/1/2008
7/1/2008
10/1/2008
Date
#10 (@gate)


Apex Pond 2 - Settlement Monument Elevations
Elevation (ft)
3684.85
3684.80
3684.75
3684.70
3684.65
3684.60
3684.55
3684.50
3684.45
3684.40
3684.35
3684.30
3684.25
1/1/2006
4/1/2006
7/1/2006
10/1/2006
1/1/2007
4/1/2007
7/1/2007
10/1/2007
1/1/2008
4/1/2008
7/1/2008
10/1/2008
Date
#11


EAST
HECLA MINING
POND SITE
MON#1
MON#2
MON#3
MON#4
MON#5
MON#6
MON#7
MON#8
MON#MAIN
-0.20'
-0.10'
-0.05'
WEST
LEGEND
ALPHA
ENGINEERING COMPANY
HECLA MINING AS-BUILDS
DECEMBER 2005